

## Message Text

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PAGE 01 TOKYO 11148 200841Z  
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 COME-00 /019 W  
-----000450 200857Z /14/10  
R 200232Z JUN 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 8947

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C O R R E C T E D C O P Y (TEXT--PARAS TWO, THREE)

E.O. 11652: NA  
TAGS: BEXP, JA  
SUBJECT: POSSIBLE CANDIDATE FOR NTT PROCUREMENT

1. FUTURE NTT PROJECT TO INSTALL ITEMIZED BILLING  
EQUIPMENT FOR LONG DISTANCE CALLS MAY PROVIDE OPPORTUNITY  
FOR U.S. SUPPLIERS IF NTT PROCUREMENT CAN BE OPENED UP  
AND U.S. INDUSTRY CAN PROVIDE SUFFICIENT HIGH QUALITY  
EQUIPMENT. EMBASSY WOULD APPRECIATE WASHINGTON'S COMMENTS  
ABOUT PROJECT AND ABILITIES OF U.S. INDUSTRY IN THIS  
FIELD. END SUMMARY.

2. EMBASSY HAS LEARNED THAT NTT HAS FORMED A TASK FORCE  
TO STUDY NEW TECHNOLOGY NEEDED FOR NTT'S PLANNED SHIFT  
FROM ITS FORMER GROWTH CENTERED POLICY TO ONE OF PROVID-  
ING BETTER SERVICE. THIS SHIFT RESULTS FROM NTT HAVING  
REACHED ITS GOAL OF 100 PCT TELEPHONE DIFFUSION IN JAPAN AND  
ITS FUTURE GOAL WILL BE TO IMPROVE SERVICE TO CONSUMERS.

3. ONE MAJOR COMPLAINT AGAINST NTT IS ITS CURRENT  
PRACTICE OF BILLING DOMESTIC LONG DISTANCE CALLS IN A  
LUMP SUM, MAKING IT NEARLY IMPOSSIBLE TO CONTEST BILLS  
IF SUBSCRIBERS THINK THEY HAVE BEEN BILLED BY MISTAKE  
FOR CALLS THEY DID NOT MAKE. WITH DIRECT DISTANCE  
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DIALING COVERING ALL OF JAPAN, THIS PROBLEM IS BECOMING  
MORE AND MORE ACUTE. THE INAUGURATION OF ITEMIZED  
BILLING IN JAPAN WHICH IS STILL IN THE STUDY STAGE,  
APPEARS TO BE NTT'S FIRST PRIORITY PROJECT UNDER ITS  
NEW SERVICE POLICY AND INSTALLATION OF THIS SYSTEM  
IS EXPECTED TO TAKE SEVERAL YEARS AT A COST OF \$225-450  
MILLION.

4. EMBASSY ASSUMES THAT AMERICAN EQUIPMENT FOR ITEMIZED BILLING IS WELL DEVELOPED AND IF NTT PROCUREMENT CAN BE OPENED TO TENDERS FROM FOREIGN MANUFACTURERS THIS MAY BE AN OPPORTUNITY FOR SUBSTANTIAL SALES OF AMERICAN EQUIPMENT. THE EMBASSY DOES NOT HAVE FULL DETAILS OF THE PLAN OR THE TIME-TABLE FOR INSTALLATION BUT BEFORE GOING FURTHER WE WOULD LIKE WASHINGTON'S COMMENTS ON THE CAPABILITY OF U.S. MANUFACTURERS TO SUPPLY THIS TYPE OF EQUIPMENT, AND THE RELATIVE SOPHISTICATION OR INTERNATIONAL COMPETITIVENESS OF U.S.-MADE ITEMIZED TELEPHONE CALL BILLING EQUIPMENT.

5. WE ASSUME THAT NTT PLANS TO FOLLOW ITS USUAL PRACTICE OF DEVELOPING EQUIPMENT WITH DOMESTIC MANUFACTURERS AND JAPANESE MANUFACTURERS MAY ALREADY BE TALKING WITH U.S. FIRMS ABOUT LICENSING THE NEEDED TECHNOLOGY. IF U.S. INDUSTRY CAN SUPPLY THE NEEDED EQUIPMENT, AND IS NOT ALREADY INVOLVED THROUGH LICENSING OR OTHER AGREEMENTS, WE MAY WANT TO CONSIDER SUGGESTING THIS PROJECT TO THE JAPANESE AS ONE FOR DIRECT PROCUREMENT SUCH AS WE WOULD HAVE IN MIND FOLLOWING AN AGREEMENT ON GOVERNMENT PROCUREMENT AT THE MTN OR A BILATERAL AGREEMENT TO OPEN NTT PROCUREMENT PROCEDURES TO FOREIGN BIDDERS.

6. WE WOULD APPRECIATE WASHINGTON'S COMMENTS ON U.S. LIMITED OFFICIAL USE

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INDUSTRY'S CAPABILITY IN THIS AREA, LIKELIHOOD OF COMPETITION FROM OTHER COUNTRIES AND DESIRABILITY OF TRYING TO USE THIS PROJECT TO PRY OPEN NTT PROCUREMENT. WE WOULD CAUTION THAT OUR INFORMATION ON THE PROJECT IS STILL FRAGMENTARY AND THE POSSIBILITY OF PURCHASE FROM AMERICAN SUPPLIERS VERY REMOTE SO DISCUSSION SHOULD BE KEPT WITHIN THE GOVERNMENT, IF POSSIBLE.  
MANSFIELD

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
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**Status:** NATIVE  
**Subject:** POSSIBLE CANDIDATE FOR NTT PROCUREMENT  
**TAGS:** BEXP, JA  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014